



MASSACHUSETTS

Workforce Investment Act

WIA Communication No. 02-33

☒ **Policy**

☐ **Information**

To: Chief Elected Officials
Workforce Investment Board Chairs
Workforce Investment Board Directors
Title I Administrators
Career Center Directors
Title I Fiscal Officers
DET Regional Directors
DET Area Directors

cc: WIA State Partners

From: Jonathan Raymond, President
Commonwealth Corporation

Date: August 16, 2002

Subject: Revised FY2002 WIA Title I Dislocated Worker Allocations

Purpose: To provide information on the federal rescission in the amount of \$463,739 from the Commonwealth's FY2002 Title I Dislocated Worker allotment.

Background: In July of 2001, concern over the slow rate of expenditures during the first complete year (state FY2001) of the Workforce Investment Act resulted in the Congress passing a rescission of approximately \$110 million from the Title I Dislocated Worker allotment. This rescission was to have been applied to the FY2002 allocation by September 30, 2001.

Subsequent to the events of September 11, 2001, the US Department of Labor issued a guidance letter putting the rescission on hold. Various attempts were made by the Administration during the program year to restore these funds before the end of FY2002. On June 26, 2002, with the funds to eliminate the rescission not having been appropriated, USDOL reduced each state's FY2002 allotment. The Commonwealth's allotment was reduced by \$463,739, about 3% of the initial allocation. Since Massachusetts had expended funds during FY2001 at a rate higher than most states, the reduction for the state was less than the national average of 9%.

Revised FY2002 WIA Title I Dislocated Worker Allocations

An equal opportunity employer/program. Auxiliary aids and services are available upon request to individuals with disabilities.
TDD/TTY 1-800-439-2370 - Voice 1-800-439-0183

At the point in June when the allotment was reduced by USDOL, there was a supplemental appropriations bill pending in the Congress that included funds to replace the rescission. The Commonwealth, therefore, did not immediately reduce FY2002 grant agreements. Unfortunately, the House and Senate removed this funding from the bill on July 23, 2002 and the President signed into law the 2002 Supplemental Appropriations without these funds on August 2, 2002. Thus, the Commonwealth must reduce FY2002 Dislocated Worker allocations.

Policy: The Commonwealth's FY2002 Title I Dislocated Worker allotment has been reduced by \$463,739. The straight formula share for local allocations is 60% of this amount, or \$278,243. The Commonwealth, however, will absorb a greater proportion of the reduction in statewide activities resulting in a revised local rescission total of \$218,739, of which \$196,865 is 90% program and \$21,874 is 10% administration. The attached chart shows the distribution of the rescission by local formula share for each of the sixteen workforce investment areas. FY2002 Dislocated Worker program and administration funds carried forward into FY2003 will be reduced by these amounts.

Action Required: Workforce Investment Boards, Chief Elected Officials and Fiscal Administrative Entities shall utilize the revised allocations and grant awards in this policy for the completion of FY2002 Title I Dislocated Worker programs.

References: USDOL TEGL 03-01 (& Changes 1 and 2): FY02/PY01 Changes in Dislocated Worker Funds.
USDOL TEGL 26-01 (& Change 1): Revised FY02/PY01 Allotments for Dislocated Worker Activities

Inquiries: Questions should be addressed to Gene White (617) 727-8158, extension 1391.

Filing: Please file this in your notebook of previously issued WIA Communication Series Issuances as #02-gw.

Attachment:

- Revised FY2002 Title I Dislocated Worker Allocations after Rescission